

Message Text

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21

ACTION EB-07

INFO OCT-01 ISO-00 AF-06 ARA-06 EA-06 EUR-12 NEA-10 IO-10

COME-00 TRSE-00 INT-05 GSA-01 FEA-01 OES-03 CIAE-00

DODE-00 PM-03 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01

PRS-01 SP-02 SS-15 USIA-06 OMB-01 /114 W

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R 120315Z JUN 75

FM AMCONSUL PORT MORESBY

TO SECSTATE WASHDC 587

INFO AMEMBASSY CANBERRA

AMEMBASSY LIMA

AMEMBASSY PARIS

AMEMBASSY BRUSSELS

AMEMBASSY KINSHASA

AMEMBASSY LUSAKA

AMEMBASSY MANILA

AMEMBASSY SANTIAGO

AMEMBASSY LONDON

AMEMBASSY TOKYO

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E.O. 11652: NA

TAGS: EMIN, PP

SUBJ: PAPUA NEW GUINEA UNLIKELY TO JOIN CIPEC

REF: A. STATE 264613 DEC 2, 1974

B. PORT MORESBY 466 DEC 31, 1974

1. ZAMBIAN MINISTER FOR MINES AND ENERGY, A. SOKU, DEPARTED PORT MORESBY JUNE 11 AFTER FIVE DAY VISIT DURING WHICH HE URGED GPNG TO JOIN CIPEC. SOKU, CHAIRMAN OF CIPEC, HELD MEETINGS WITH MINES' MINISTER SIR PAUL LAPUN AND MINISTER FOR FOREIGN RELATIONS SIR MAORI KIKI, ACCORDING TO PRESS REPORTS.

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2. SOKU STATED TALKS HAD BEEN POSITIVE AND HE HOPED GPNG

WOULD JOIN CIPEC AFTER PNG ACHIEVES INDEPENDENCE. HE STRESSED HIS ORGANIZATION'S PURPOSE WAS "TO PROTECT THE INTERESTS OF THE COPPER PRODUCER AND THE CONSUMER." HE ALSO SAID CIPEC DID NOT INTERFERE IN THE DOMESTIC AFFAIRS OF THE MEMBER STATES. EACH IS FREE TO PURSUE ITS OWN INDEPENDENT ECONOMIC POLICY. CIPEC NEVER DICTATED POLICY, BUT ARRIVED AT A "CONSENSUS POSITION."

3. SOKU TOLD THE PRESS THAT THE ADVANTAGES OF PNG JOINING CIPEC INCLUDED ACCESS TO INFORMATION AND RESEARCH ON COPPER PRODUCTION, MARKET TRENDS AND "JOINT ACTION TO PROTECT THE INTERESTS OF THE INDUSTRY."

4. UNREPORTED WAS FACT THAT MINISTER FOR NATURAL RESOURCES, BRUCE JEPHCOTT, WAS INSTRUCTED BY CHIEF MINISTER MICHAEL SOMARE TO INFORM SOKU THAT PNG WAS NOT INTERESTED IN JOINING CIPEC NOW. JEPHCOTT, THE ONLY EXPATRIATE MINISTER, WAS INSTRUCTED TO USE INDEPENDENCE ISSUE AS REASON WHY GPNG COULD NOT COMMIT ITSELF NOW. ACCORDING TO MINES' DIRECTOR WILLIAM TOPPING, THE REAL REASONS FOR NOT JOINING WAS HIGH COST OF MEMBERSHIP WHICH IS APPROXIMATELY \$A250,000 PER ANNUM AND FACT THAT PNG HAD ONLY ONE COPPER MINE AND COULD NOT AFFORD TO LIMIT PRODUCTION. TOPPING ALSO STATED IT WELL KNOWS CIPEC MEMBERS "CHEATED EACH OTHER AT EVERY OPPORTUNITY" AND GPNG NOT INTERESTED IN INVOLVING ITSELF IN ORGANIZATION WHICH WOULD NOT PROVIDE CLEAR BENEFITS TO THIS COUNTRY.

5. COMMENT: GPNG APPEARS TO BE TAKING A REALISTIC POSITION REGARDING USEFULNESS OF CIPEC AS WEIGHED AGAINST EXPENSE OF MEMBERSHIP. ANOTHER UNSPOKEN ELEMENT IN THE DECISION MAY WELL BE RELUCTANCE OF GOVERNMENT TO LOSE SOME OF ITS SOVEREIGNTY TO CIPEC. AS PRODUCER OF ONLY 180,000 TONS COPPER CONCENTRATE PER YEAR, PNG COULD NOT EXPECT TO HAVE MORE THAN MINOR INFLUENCE IN ORGANIZATION WITH REAL DANGER THAT, AT SOME STAGE, IT WOULD BE CALLED UPON TO ACT IN WAY INIMICAL TO ITS OWN INTEREST. GPNG UNWILLINGNESS TO GIVE CLEARCUT REJECTION TO MEMBERSHIP OFFER DEMONSTRATES, HOWEVER, ITS CONCERN FOR MAINTAINING AMICABLE RELATIONSHIPS WITH OTHER COPPER PRODUCING COUNTRIES. PERU, FOR EXAMPLE, WAS HELPFUL IN PROVIDIDNG ADVICE JUST PRIOR TO BOUGAINVILLE COPPER LTD. AGREEMENT

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RENEGOCIATIONS. THUS GPNG INTENDS TO MAINTAIN GOOD BILATERAL RELATIONS WITH CIPEC MEMBERS. END COMMENT.
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